GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:56
ANSWERED ON:03.03.2005
PRIVATISATION OF AIRPORTS
Ananth Kumar Shri ;Baxla Shri Joachim

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government is considering to privatise some of the Airports in the country;

(b) if so, the details thereof and the reasons therefor;

(c) the airports selected for privatisation;

(d) the amount likely to be earned from this move; and

(e) the steps proposed to be taken to safeguards the interests of the employees likley to be affected by privatisation?

Answer

MINISTER OF STATE(INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a), (b), (c), (d) & (e) A Statement is laid on the Table of the Sabha.

Statement in reply to parts (a), (b), (c), (d) & (e) of Lok Sabha Starred Question No.56 for answer on 3.3.2005 regarding Privatisation of Airports.

(a), (b) & (c) : Government has already accorded its approval on 11.9.2003 for restructuring and modernisation of the interntional airports at Delhi and Mumbai through the formation of two separate Joint Venture Companies (JVCs) for world class development and expansion. Airports Authority of India (AAI) and other Public Sector Undertakings (PSUs) of Government of India will hold 26% equity with the remaining 74% equity held by the private sector partner(s).

(d) The transaction of restructuring and modernization of Delhi and Mumbai airports is proposed to be structured with the mechanism of upfront fee as well as annual lease payment from the JVCs. The quantum of revenue, which will accrue to AAI, can be estimated only after the bidding process.

(e) The existing manpower at the two airports are to be utilised by the JVCs for 3 years. Thereafter, atleast 40% of the employees shall be offered regular appointment in the JVCs. The remaining employees shall revert to AAI.